



OFFICE OF GOVERNOR MARK DAYTON

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Minnesota State Grant Program

Making College More Affordable

State financial assistance has not kept pace with rising tuition and the other increased costs of post-secondary education. That is why Governor Dayton's budget invests \$80 million in the Minnesota State Grant Program to make higher education more affordable for Minnesota students. This is the largest increase in student aid in more than 25 years. It will help over 5,000 more Minnesotans achieve the dream of a higher education, and increase aid to 100,000 students by an average of \$300.

Program Background

Right now, the average Minnesotan graduates from college facing \$29,800 in student loan debt. The rising cost of tuition and fees has made the dream of higher education impossible for some and far too expensive for many others. The Minnesota State Grant Program helps reduce that financial burden, providing need-based financial aid to resident undergraduates attending public and private postsecondary institutions in Minnesota.

The State Grant program puts money directly into the hands of students and families, enabling students to choose the institutions and programs that best fit their goals and aspirations. In 2012 alone, the program provided \$142.7 million in financial assistance to 95,000 Minnesota students. The average grant award totaled \$1,495.

Minnesota Needs to Invest in Our Students

Minnesota is at its best, and our economy is at its strongest, when our students have access to an affordable, world-class education. Now is the time to make college more affordable.

» **Student Debt is on the Rise.** Minnesota has the third highest student debt rate in the country. The average student graduates with \$29,800 in outstanding student loans. Minnesota ranks fifth highest in the number of students who take out loans, with 71 percent of students going into debt in order to pursue a post-secondary education.

» **The Rising Cost of Tuition Requires Action.** Over the past decade, tuition and fees have increased by three times the rate of inflation, and state grants have not kept pace with demand. Rising costs have placed an unfair burden on low- and middle-income students, increasing their reliance on costly borrowing and limiting student choice.

» **Our Changing Economy Demands an Educated Workforce.** By 2018, an estimated 70 percent of jobs in Minnesota will require some education beyond high school, but only 40 percent of Minnesota adults hold post-secondary degrees. We cannot let out of control costs prevent Minnesota students from pursuing a higher education; our economic future cannot afford it.